



# Wisconsin SeniorCare Fact Sheet

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## Spenddown and Deductible

### **What is a SeniorCare Spenddown?**

A SeniorCare spenddown is equal to the difference between the participant's annual income and 240% of the Federal Poverty Level (FPL), which is \$22,969 for an individual, or \$30,793 for a married couple living together. The spenddown is the amount that a Level 3 participant must pay for covered drugs under the SeniorCare Program during each 12-month benefit period. After the spenddown has been met, the participant still needs to meet a deductible.

### **What is a SeniorCare Deductible?**

A SeniorCare deductible is the amount a Level 2a, 2b or 3 participant pays annually for covered drugs before she or he can participate at the co-payment level. During the deductible period, the participant will pay the SeniorCare rate on most covered drugs.

### **What is a Co-payment?**

Once the spenddown and the deductible have been paid, the participant will pay a co-payment for covered drugs for the remainder of the 12-month benefit period. The co-payment amounts are \$5 for each covered generic drug and \$15 for each covered brand name drug.

NOTE: Only SeniorCare covered drugs can be used to meet the spenddown or deductible.

### **How a Spenddown/Deductible Works:**

#### **Spenddown/deductible for a single SeniorCare participant.**

If a SeniorCare participant has a gross annual income above 240% of the FPL, the participant must meet spenddown and deductible requirements before she or he can purchase covered prescription drugs at the co-payment amounts.

**Example:** Jane Smith's annual income is \$23,969. This is \$1,000 more than 240% of the FPL (\$22,969) for a single SeniorCare participant. Her spenddown amount for the 12-month SeniorCare benefit period is \$1,000 ( $\$23,969 - \$22,969 = \$1,000$ ). SeniorCare will track Jane Smith's purchases of covered prescription drugs.

Jane Smith pays the retail price for her prescription drugs until the total of those payments equals the spenddown amount (\$1,000).

If Jane Smith meets the spenddown during her 12-month benefit period, she then has an \$850 deductible. Her next purchases of covered prescription drugs will count toward her deductible. She will pay the SeniorCare rate for covered prescriptions until her deductible is met.

After the \$850 deductible is met, Jane Smith can purchase covered prescription drugs at the SeniorCare co-payment amounts (\$5 for covered generic and \$15 for covered brand name drugs) for the remainder of her benefit period.

**Spenddown/deductible for a married couple who are eligible for SeniorCare, who enroll at the same time.**

When a married couple with a combined annual income greater than 240% FPL (\$30,793) are both determined eligible for SeniorCare, they will have a joint spenddown requirement. After the spenddown is met, each person will have an individual deductible requirement. After the deductible is met for one person, that person may purchase covered prescription drugs at the co-payment amounts for the remainder of his/her benefit period.

**Example:** John and Jane Smith's annual income is \$32,793, which is \$2,000 more than 240% of the FPL (\$30,793) for an eligible married couple. Their joint spenddown is \$2,000 for the 12-month benefit period

John and Jane Smith pay retail for their covered prescription drugs until the \$2,000 spenddown is met. Covered prescription drugs purchased for either John or Jane Smith will count toward the spenddown requirement.

After John and Jane Smith meet the spenddown, each will have an \$850 deductible. Only covered prescription drugs purchased for John Smith count toward his deductible, and only covered prescription drugs purchased for Jane Smith count toward her deductible.

John Smith meets his \$850 deductible in two months. He then purchases covered prescription drugs at the co-payment amounts for the remainder of his benefit period. Jane Smith meets her \$850 deductible in three months. She then purchases covered prescription drugs at the co-payment amounts for the remainder of her benefit period.

**Spenddown/deductible for a married couple when only one spouse is eligible for SeniorCare.**

If a married couple has a combined annual income greater than 240% of the FPL (\$30,793) and only one person is eligible for SeniorCare, only the eligible spouse's covered prescription drug purchases count toward the spenddown.

**Example:** John and Jane Smith's annual income is \$32,793, which is \$2,000 more than 240% of the FPL for a married couple. Jane Smith is not yet 65 years old, so only John Smith is eligible for SeniorCare. For the 12-month benefit period, John Smith's spenddown amount is \$2,000.

John Smith pays retail for his covered prescription drugs until he meets his spenddown. Only covered drugs purchased for John Smith count toward his spenddown.

After John Smith has met the \$2,000 spenddown, he has an \$850 deductible. Only covered prescription drugs purchased for John Smith count toward his deductible.

After John Smith meets his \$850 deductible, he purchases covered prescription drugs at the co-payment amounts for the remainder of his benefit period.

**Married Couples with Special Circumstances**

Under certain circumstances, the spenddown and deductible amounts for a married couple are determined differently than described above. These circumstances generally arise when both

spouses do not enroll at the same time or when the living arrangement of the couple changes after one spouse has enrolled in SeniorCare.

**For More Information:**

- Call the SeniorCare Customer Service Hotline at (800) 657-2038, or
- Visit the SeniorCare web site at: <http://www.dhfs.wisconsin.gov/seniorcare>.

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